

East Indies - East India Co.

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A

LETTER

TO THE

PROPRIETORS of INDIA STOCK.

CONTAINING

A Reply to some Insinuations in AN OLD PROPRIETOR'S LETTER to the Proprietors on the 13th Instant, relative to the Ballot of that Day.

AS ALSO,

By Way of APPENDIX,

A Republication of TWO LETTERS, on the Subject of that Ballot, first published in the *Gazetteer*.

By a STEADY PROPRIETOR.

" How Gentlemen could venture to assert the annual Profits to
" have been 1,200,000 l. after knowing the *above Fact*, is
" only to be accounted for from the same Spirit of Stock-
" jobbing, that could induce another Gentleman to assert,
" with *equal Modesty*, that We should be worth just twenty-
" two Millions at the Expiration of our Charter."

AN OLD PROPRIETOR'S LETTER.

LONDON:

Printed for W. NICOLL, No. 51, St. Paul's Church-yard.
M DCC LXIX.

LETTER

TO THE

PROPRIETORS OF LINCOLN STOCK.

A Reply to some Publications in A. N. OLD
 PROPRIETOR'S LETTER to the Pro-
 prietors on the 15th inst. relative to the
 Ballot of 1847.



By W. W. ENDIX.

A Reproduction of the Ballot, on the Subject of
 the Ballot, first published in the Guardian.

By a STEADY PROPRIETOR.

"How Gentlemen could venture to state the annual profits to
 have been 150,000, after knowing the actual state of
 only to be accounted for 1 in the same spirit of
 jobbing, that would induce another Gentlemen to
 risk your money, that W. would be one of the
 the millions at the disposal of our Country."
 An Old Proprietor's Letter.

LONDON:

Printed by W. Wilson, No. 21, St. Paul's Church, and
 W. B. G. & Co.

A

L E T T E R

T O T H E

PROPRIETORS of INDIA STOCK.

THERE can be nothing so unfair as to rake correspondences and accounts for every matter which can be stated in an unfavourable light, passing over in dead silence every thing which ought to be stated against them. Yes, I beg pardon, there is one thing still more unfair, and that is drawing general conclusions from partial premises, and that upon a misrepresentation of facts. Of both these practices, I am sorry to be obliged to say it, the Old Proprietor has been guilty; instances in great plenty are to be found in his short paper. His war raging in India may be put on one side of the account; but a broken flying enemy, and the Dewannée of the Myfore country, ought to be stated on the other.—160,000 l.

B

per

per ann. paid to the Marattas, should undoubtedly be stated against us; but the peaceable possession of Orissa, with the guaranty of the provinces of the Balagate Carnatic, containing Visiapur, the Bid-donor country, &c. all which paid chout or tribute to the Marattas, should also be stated for us. —The cash arising from our sales, it is said, has fallen short of the publick expectation 400,000*l.* but not a syllable is said of the causes, viz. 200,000*l.* of that sum, in specie, sent this year, without necessity, to China; and goods, intended for sale, returned unsold to the warehouses; both expedients to keep the state of the cash below the estimate given in, and for the same reason undoubtedly that 1,200,000*l.* of what some gentlemen have been pleased to stile bad or precarious debts, have been struck off from the annual account, “lest Government forsooth should *squeeze* us.” Oh! these are paltry and little arts! much beneath the dignity of the directors of mighty kingdoms, and worthy only of contractors and commissaries; but strange things may be learned in America and Germany; these *biding* tricks might pass *there* for notable, but they will never thrive in Leadenhall-street! —Not an extract or observation has been taken from the treaty with the Nizam; no mention is made of the deputies sent from the council of Madras to settle the Mysore and other acquired countries; not a word is said of the guaranty of the northern circars, nor of Colonel Peach’s success in settling the affairs of those districts; not a word of Colonel Wood’s success, from the kingdom of Travancore, south to the very heart of the Mysore; not a syllable of 350,000*l.* to be paid by the Nizam, by instalments; not a word of the quiet settled state of Bengal, the regularity with
which

which the revenues are collected and paid, nor of the flourishing state of the manufactures: no, these were matters very foreign to his purpose, and therefore he has taken care to omit them; but he would not for the world have omitted the French rupture, which he says is just ready to break out in India. Poor man! there is just as much danger of a French war from a policy of insurance made against it on the Exchange of London, as from all the accounts of such commonplace stuff from India. Chandernagore, with 100 men, able-bodied men, bearing arms, and, it may be too, wearing whiskers, is no doubt a tremendous enemy in the heart of Bengal; as Pondicherry, with a similar force, is in Coromandel. But Mauritius and the isle of Bourbon!—But the navy of England, and the French sugar islands; nay, these same eastern islands, with their India trade, within our gripe! These are matters which I but barely mention, that I may come the sooner to that part of the letter which occasioned my taking up the pen to give you this trouble; and I am not sorry to have been thus called upon to defend myself, as I should think it unpardonable to hazard any thing in a General Court which I could not maintain; indeed I am very cautious of speaking my sentiments in publick of any matter; but when I have once done it, I will defend them to my last breath, unless convinced of an error, which is not the case at present.

The Old Proprietor's third remark, *on the accounts*, is the part which has drawn this reply from me. I will state it at large.

“ Thirdly, (says he) it appears from the accounts, that the actual profits of the year 1768,

"taking the disbursements in England, that the
 "balance is only 62,326 l. profit*."

"As this is a fact (he goes on) which has been
 "much controverted, I beg leave to state the
 "account as made up by the accountant ge-
 "neral."

* This paragraph is not English, but that may be the prin-
 ter's fault; indeed I believe it is, for, if I know the author,
 he has a great command of language.

"Estimate

*“ Estimate of the East India Company's Affairs in England for One Year, being the Import of 1767,
“ sold in September Sale 1767, and March Sale 1768.*

<i>£.</i>		<i>£.</i>	
To custom	- - - - - 899,072	By the gross amount of	
To freight and demurrage, and freight		Sept. sale 1767, in-	
outwards	- - - - - 417,204	cluding private trade	1,817,198
To annual export, exclusive of bullion	500,000	Discount $6\frac{1}{2}$ per cent.	118,118
To bullion for China	- - - - - 200,000		<u>1,699,080</u>
To charges merchandize 5 per cent.	- 182,196	By ditto of March sale	
Bills of exchange from all India	- 257,878	1768, including pri-	
To Government, per agreement	- 406,000	vate trade	1,826,738
To dividend on stock at 10 per cent.	- 320,000	Discount $6\frac{1}{2}$ per cent.	118,738
To interest on bonds more than re-			<u>1,708,000</u>
ceived from Government	- 50,580		
To proprietors of goods sold in pri-			
vate trade	- - - - - 117,554		
	<u>3,344,754</u>		
Balance	- - - - - 62,326		
	<u>£. 3,407,080</u>		<u>£. 3,407,080</u>

“ How

“ How gentlemen could venture to assert the annual profits to have been 1,200,000 *l.* after knowing the above fact, is only to be accounted for from the same spirit of stock-jobbing that could induce another gentleman to assert, with equal *modesty*, that we should be worth just twenty-two millions at the expiration of our charter.”

This quotation cannot be taken in a fairer manner; for I have not omitted a word: and it implies three things, to each of which I shall speak in turn. 1st, That the Profits of the year 1768 amounted only to 62,326 *l.*—2dly, That an honourable Director had little modesty in stating the annual profits at 1,200,000 *l.*—3dly, That another gentleman (meaning your humble servant) had as little modesty in asserting, that the Company would be worth twenty-two millions at the expiration of the charter.

1st, Was there ever a more unfair deduction drawn from premises than that the profits of the I. C. for the year 1768 amounted only to 62,326 *l.* because this sum chances to be the balance of an estimate of the transactions in England for that year? We know that large quantities of goods were, *for reasons*, returned unsold to the warehouses in the sales of the last year. Let us suppose that all the goods had been so kept up, for a double price at the next sales; would you state the loss of the I. C. in trade to have been that year 3,407,080 *l.* which was the amount of the gross sales?—Whoever reads the above account will see, that were it to be stated as an account of profit and loss; most of the articles must change sides, it being much more reasonable to bring them to the credit than to the debit of the Company; such as freight outwards, annual exports exclusive of bullion, bullion sent to China, all which in fact are better

better for the Company than cash, as they are procured with cash, and are sent out in order to make more valuable returns.—The goods too returned to warehouses unfold, are they no part of the profits? Fie! Mr. Old Proprietor, indeed this is too gross an insult on the understanding of the New Proprietors (whom, no doubt, you wish to inform) especially after some words you dropt a little higher. “ These accounts (say you) are
 “ too intricate for the examination of most men,
 “ and by far too tedious for a publication of this
 “ kind. But in general facts arising from each
 “ head shall be stated, with a reference to the
 “ Company’s Accountant-General for the truth of
 “ each assertion, and a defiance to any Director,
 “ *how much soever under the guidance of a soul that*
 “ *is not his own*, to contradict any of them under
 “ his hand.” Is yours a manner of stating facts for a man who talks of the guidance of the soul? Nay, not only your own soul, but poor Mr. Warren’s soul to; for he, it seems, must condemn the Directors, as having no souls at all. Indeed this is downright nonsense, mere fustian! I therefore would advise you, when you write next, to do it in a manner more convincing to the body of the Proprietors, and to give yourself as little trouble as possible about any person’s soul but your own.

May I be permitted, before I quit this head, to hazard one conjecture, why the annual account was thus curtailed in June last. A certain gentleman, as remarkable for his obstinacy as his sanctity (from the first acquisition of the Dewannée till his going out of the Direction by rotation) uniformly adopted the sneaking policy of denying the opulence and decrying the credit of the Company. To him we owed the first rescinding and the

the second restraining act; and to his influence, at the commencement of the present Direction, I fancy it will be found that we owe this curtailing of the annual account. The parties who came over to this gentleman at the last election (when, by an infamous act of desertion, Mr. Saunders was jockeyed out of the chair) had been very active in proving, that in February 1769 all the simple-contract debts of the Company, bearing interest, would be paid off, and a balance remain of 197,000 *l.* in cash. This would have been a mortifying blow to Old Sanctity indeed. But how to avert it? Nothing so easy! Send 200,000 *l.* in specie to China, and make some sham excuse for not selling the quantity of goods proposed. This last expedient he had practised himself the year before: thus the cash-chest will be kept within bounds. And lest the accumulation of capital in the annual account should be too glaring, let us also smuggle out of it twelve or thirteen hundred thousand pounds; perhaps in the present situation the trifle of a million or so will never be missed. Give me leave to state the difference, made by this Machiavelian manoeuvre, under the opposite heads of R and I.

R.	I.
<p>Gross sales, goods to the value of 200,000 <i>l.</i> being returned unsold to the warehouses - - 3,407,080</p> <p>Expences of the year, including government, customs, dividend, &c. - 3,144,754</p> <p>Money for China 200,000</p> <hr/> <p>3,344,754</p> <hr/> <p>Balance - - 62,326</p>	<p>Gross sales, supposing the Goods returned to the warehouses had been sold - - - - 3,607,080</p> <p>Expences of the year, no money being sent to China, the investment being really made before from Bengal - - 3,144,754</p> <hr/> <p>Balance - - 462,326</p>

Thus

Thus the deficiency of 400,000 *l.* from the estimate given in to Parliament, has been very easily brought about; but it will not be so easy for the Directors to wipe out the stain it has brought upon them. After all, if our Directors were but half as much bent upon paying off the simple contract debts before February as they are upon the contrary, they would find no difficulty in doing it. Why is not this China money reckoned as cash while it remains in the chest? It is time enough to send money to China in April; we shall receive large prompts before April. The indemnity on tea has not amounted to half the sum specified in the estimate; this also might be brought to our credit; the Manila ransom and money owing for French prisoners might be deducted from the payments made to government; administration, arbitrary as it is, has acknowledged the reasonableness of this. In a word, a thousand means might be found, even now, to pay off these simple contract debts in due time, if it did but serve a turn.—Would things have been thus had we now that faithful and able servant who has more than once saved the Company from impending ruin, and whose abilities have been put to the proof in the most critical times? But *his* efforts were always made to *serve*, not to *distract* your affairs; he had other-guess difficulties to encounter than those of studying means to *perplex*. The time however I hope is nigh of his taking the reins again; I am sure our situation requires it, for it is but just to conclude that he, who was found most capable of conducting and retrieving our affairs in adversity, should also be found the most capable of maintaining and advancing them in prosperity.

To come to the second point.

2^{dly}, There is but one fair way of calculating the profit or loss of the Company, which is by

taking in all their transactions in India as well as in England, and striking a general balance from the united balances of both. This has already been done, and it has been from the average profits of several years, that the Director hinted at by the Old Proprietor has been enabled to declare the annual profit to be near 1,300,000*l. per ann.* There is no denying that this has been the average for three years past, and I see no reason to conclude that it will decrease rather than increase for the fourteen years to come. We certainly send out, by one third, more ships than we did; this, one would imagine, would encrease our profits in proportion; but whether it benefits the Proprietors immediately or not, it certainly benefits the state most materially in customs and excise; and I am one of those who would rather trace and dwell upon a source of benefits to this country than of distress. But to return; the very striking off 1,200,000*l.* from the annual account of the year 1768, while that account still continues 80,000*l.* better than the annual account of the year preceding, proves to demonstration that the profits of that year were at least 1,280,000*l.* Happy Company which can afford to curtail more than one third part of your capital in one year!—They would have been a bold set of Directors that would have made this curious attempt four or five years ago.—It would therefore be the height of ingratitude not to return thanks to the worthy Director, who has had spirit enough to condemn this falsification of accounts which no reasons can justify, and who has had honesty enough to let the Proprietors into the true state of their affairs; of which none but incapable Directors will ever strive to keep them ignorant. Nothing can be so poor, so pitiful, as this second rescinding act of the Directors, (for the first was manifestly of
their

their obtaining) except the reasons given for it. "It was done lest administration should obtain too much knowledge of our affairs."—"The debts however were not quite struck off the books of the Company, they were kept on the books upstairs, and might be added at pleasure; they were only struck out of the annual account."—"But at any rate he hoped the court would not go away in the opinion that it was *he* who had falsified the accounts of the Company; he had only done it on the word of *another* Director whom he thought he could trust." It was lucky however that we had any Director who chose to trust himself only, or we should have been in a fair train to believe that we were no less than 40 *per cent.* on our stock poorer than we really are.

I cannot conclude this head without just taking notice of the risk a Director may run in having an opinion of his own. In the year 1767 a * gentleman was taken into the house list, who the year before had been out by rotation. This gentleman who had been ten years in the Company's service as a Director, and who knew the situation in which he left their affairs the year before, was so astonished at the alteration he found in them, and at the manner in which the other Directors, according to their *system*, endeavoured to represent them, that although he had been one of their warmest advocates, he could not hide his surprize and indignation, but openly differed from them in court, giving in opposition to theirs, and upon his own single authority, a true state of the Company's affairs. The papers and evidences afterwards produced before parliament fully proved the veracity of his account, to his great honour and the Directors con-

* Mr. Manship.

fusion.—The reward of his honesty and publick spirit was an almost universal combination of the Directors against him; and accordingly he was thrown out of the House list for the subsequent year, when it was too late for him to make a particular application to the Proprietors; but I hope they will do him justice at the ensuing election.

3dly, I come now to the assertion that we should have twenty-two millions to divide at the expiration of the charter, provided we met with no reverse of fortune, and did not renew.—Twenty millions were the sum I specified, and not twenty-two; however I will not differ with the old Proprietor for a couple of millions more or less in so long a period. I know several individuals capable of acquiring a larger sum in less time, only set them down safe in that country. Nay I know *one* who has already acquired a larger sum, by no other means of pre-eminence as to abilities, than ever I could hear of, than a faculty of chewing opium till he gets into a *reverie*; and then he has the happiest knack in the world of dreaming what is to be done, and where riches are to be found. His friends have always taken his visions for inspiration, and therefore have never failed acting with enthusiasm; he dreamt once that Fortune might be caught napping at P—y. They pursued, overtook, bound, and laid her suppliant at his feet; and he has ever since led her about with him in a red string; for to do him justice, he has a talent of holding fast when awake whatever has been obtained for him when asleep. This man having acquired the *capital*, is eternally dreaming that he has a right to become *The Company*, and without a good look-out, this metamorphosis, strange as it seems to be, may take place. If any thing can preserve us it must be, as he has informed the
General

General Court by letter, his *disinterestedness*. But to return from this digression, it may not be improper, before I proceed to defend the *modesty* of my assertion that the expiration of the charter would leave the Company worth twenty millions, just to acknowledge from whence I derive the principal part of my knowledge on this head.—The world was astonished at the accuracy of those parts of the India-Examiner which related to the territorial acquisitions, the trade, Dewannée, &c. in India. These calculations were so exact that they remain unanswered to this day, and were made from materials furnished by one of the ablest accountants that ever served the Company in the council of Bengal. Indeed it was not an easy matter to answer these calculations for every item of them was afterwards fully proved by the papers laid before the House of Commons.—And these papers have been since methodised in so correct and intelligible a manner by the author of the General View, &c. that I own myself intirely indebted to them for the precision and exactness of the second mode of proof drawn from them.

Two modes occur of proving that twenty millions will remain to the Proprietors at the expiration of their charter, making ample allowance for contingences.—The first mode takes the annual accounts as data from whence to reason; the second takes the papers laid before parliament last year, as arranged by the author of the General View, &c.

First Mode.

The average profit by the annual accounts made up to June 1766, 1767 and 1768, being the three years elapsed since the acquisition of the Dewannée, is near 1,300,000*l.* say 1,250,000*l.* But our Directors last June thought fit, for reasons already animadverted

madverted upon, to strike out of the annual account
 1,200,000 *l.* under the denomination of bad or
 precarious debts, which however they keep on
 their books upstairs to be replaced when they have
 another job to serve. This curtailment (for we
 will state the account in the most unfavourable
 light possible) leaves us, at the expiration of the
 year 1767, a capital on the annual account of, say
 4,850,000 *l.*; this sum with fourteen years profit,
 on the average of the three years last past, makes
 the amount upwards of twenty millions, as stated
 below. In making my calculation only upon four-
 teen years, I have been very unfavourable to the
 Company, for there are thirteen years of the charter
 unexpired from the end of 1767 to the end of 1780,
 and the company is allowed three years to bring
 their effects home, and to dispose of their effects,
 lands, tenements and possessions in India; now
 altho' part of these, I mean lands, revenues, &c.
 will sell for many millions, and altho' we may rather
 encrease than diminish our trade during these three
 years, as a last effort, and as the best method of
 bringing home the Company's effects, (for we only
 lose our exclusive privilege of trade by the expi-
 ration of our charter; we lose none of our undis-
 puted lands, revenues, houses, districts military
 stores, cannon, fortifications, with many *et cætera's*,
 which have no place in the annual account, but
 which we no doubt will find a method of convert-
 ing into cash or goods at taking leave of the coun-
 try) I say although these three years will in all
 probability be found to be the most profitable for
 the Proprietors of the whole term, yet I set them
 down in my calculation as only equal to one year;
 and this to prevent cavil, and to keep more within
 bounds than any opponent, if any there be of so
 fair a calculation, can have a right to demand.

Let us state the account.

The original capital, say	- - -	£. 3,200,000
Surplus in 1767, 1,200,000 <i>l.</i> being	- - -	
lopt off, say,	- - -	1,650,000
Thirteen years unexpired term of	- - -	
the charter, upon the average of	- - -	
1,250,000 <i>l.</i> per ann.	- - -	16,250,000
Three years allowed for bringing	- - -	
home effects calculated with a profit	- - -	
only of one year	- - -	1,250,000
		<hr/>
Capital at the expiration of the charter	- - -	£. 22,350,000
		<hr/>

N. B. Permit me again to observe, that in making up the annual account, the Directors give the Company credit for their assets only. The importance of the fact will I hope excuse this tautology.—Territories, Dewannée, buildings, &c. are totally excluded, and yet the regular revenues of the Company in India, prior to the Dewannées of Bengal and the Mysore, &c. and therefore undisputed, amount to near 500,000 *l.* per annum. If the Company were to sell this revenue, I suppose the Directors would know what value to put upon it; I hope at least they will learn to do it before the expiration of their charter, as it is probable they will then be under a necessity of treating with their successors for the price to be paid for it.—It is also proper to observe that the annual account is very unfavourable to the Company in many other respects. Goods unfold in the warehouses in England are always valued 10 *per cent.* below the last sales; and in estimating the effects on sea, it is well known that the method is, and must from its nature

nature be, very loose and inexact, but always more unfavourable to the Company than even the calculation upon the goods in warehouses. All these things then considered, with what appearance of reason or justice have these bad and precarious debts, as they are called, been struck out of the annual account, the manner of making up which is already so much against the Company? But I beg pardon for asking such a question, the word *squeeze* fully answers it.

S E C O N D M O D E .

A GENERAL VIEW of the EAST-INDIA COMPANY'S AFFAIRS, as printed in *June 1767*, and produced at the Bar of the House of Lords, when each Article was supported by full Evidence.

Dr.	£
EAST-INDIA Company's Debts as stated by the Directors, 16th May 1767,	6,004,145
The Company's Capital (nominally £ 3,200,000, really £ 2,800,000,)	2,800,000
Total Debts,	£ 8,804,145

The Revenues in the Company's Possession, their Title to which has been disputed, are on that Account not considered in the Valuation or Estimate of the Company's Effects on the other Side.

They amount in the Soubahship of BENGAL, according to an Account just received by the <i>Crittenden</i> (exclusive of the £ 100,000, which the Company claim under an older Title) clear of Deductions and of military Charges, to	£ 1,622,747
Five Northern Circars,	426,000
	£ 2,048,747

N. B. For understanding this Account, it is to be observed, that the first Article of the Debit, being £ 6,004,145, stated as the Amount of the Company's Debts in *England*, as they stood on the 16th May 1767, does not include what the Company owes to Annuitants, amounting to £ 2,992,440, but merely comprehends the Bond Debts being £ 2,898,124, and such other Debts as the Company at that Time owed in *England* for Customs, Freights, and Goods exported, and other Expences. On the other Hand, the first Article of the Credit being £ 4,379,989, stated as the Amount of the Company's Credits and Effects in *England* on the said 16th May, does not comprehend the Whole of the 4,200,000, due to the Company by Government; but only the Balance which remains of that Sum after setting off a Sum equal to the Annuities, which Balance amounts to £ 1,207,560, and the Remainder of the Company's Credits in *England*, which make up the said £ 4,379,989, consists of Goods in their Ware-houses, and Money due for Goods exported, and such like Articles.—This Method observed by the Directors of stating the Accounts, though it is by no Means distinct or clear, yet makes no Difference as to the Result or Balance, because an equal Sum is left out of both Sides of the Account, viz. The Annuities on the one Side, and a Sum out of what Government owes exactly equal to them on the other.

[To face Page 17.]

Cr.	£
EAST-INDIA Company's Credits and Effects in ENGLAND, as stated by the Directors, 16th May 1767,	4,379,989
Since which Time Six Ships have arrived from INDIA, viz. the <i>Speke</i> , <i>Prince of Wales</i> , and <i>Havannah</i> , from CHINA, the <i>Royal Charlotte</i> from MOCHA, the <i>Asia</i> from BOMBAY, and the <i>Crittenden</i> from BENGAL; the Cargoes of which, after deducting Freight, Customs, and all Charges, are valued at	378,822

To which is to be added, Quick-Stock in INDIA, according to the last Advices, viz.	
FORT ST. GEORGE, 31st December, 1765,	1,482,970
BENGAL, 24th November 1766, remains, after deducting £ 581,297 for the Value of Fortifications and Buildings, and the Cargo of the <i>Crittenden</i> ,	957,810
BOMBAY, 23d November 1766,	1,149,930
BENCOOLEN, 17th April 1766,	103,939
CHINA Quick-Stock, remaining after the Cargoes of the Fourteen Ships of this Year are paid for,	528,980
Part of the Cargoes of Ships sent out in 1765,	285,233
And the whole Cargoes of 1766,	490,140
By Money imprest to Owners of Ships £ 54,000—Ships and Sloops built £ 10,000, so estimated last Year, and generally the same,	64,000
Dead-Stock in INDIA, usually estimated in the annual Accounts at the Price paid for it in 1703,	400,000
Warehouses, &c. in ENGLAND,	40,000
	5,503,002

But the Fortifications in INDIA are estimated to have been worth, in 1750, £ 371,510, and there has since been expended on them £ 1,058,226, besides which there are other Buildings estimated at £ 328,414, which Sums together make £ 1,758,150, from which deducting the £ 400,000 mentioned in the annual Estimate, and £ 127,663 for the Costs of the Fortifications of FORT ST. DAVID's, which are destroyed, there remains £ 1,230,487.—Suppose these Articles to be now estimated at half that Sum,

615,243

REVENUES from LANDS and CUSTOMS, the Title to which is not disputed, viz.

On the Coast of COROMANDEL, and on Grant from MAHOMED ALY CAWN, &c. on a Medium of the Three last Years, —	261,000
BENGAL, under a Grant from the Emperor FURUCHSIER in 1716, about	100,000
BOMBAY, under the same Title by which the Company holds the Settlement itself,	74,000
FORT MALBRO' and ST. HELENA,	4,000
Total Annual Produce,	439,000

Estimated at Five Years Purchase,	2,195,000
Neat Produce of Nineteen homeward-bound Ships, expected to arrive before Christmas, viz. Eleven from CHINA, Four from BENGAL, and Four from FORT ST. GEORGE and BOMBAY, as estimated by the proper Officers, after deducting Freight, Customs, and all Charges,	1,438,946

4,249,189

Total of Effects, 14,511,002
Deduct Debts on the other Side, 8,804,145

Clear Surplus, 5,706,857

Taking the foregoing paper as a guide, the account will stand thus.

Capital, nominally 3,200,000 l. but	
really	- 2,800,000
Clear surplus at the end of 1767	- 5,706,857
13 years profits at the acknowledged	
average of 1,250,000 l. per ann.	- 16,250,000
Three last years, calculated with the	
profit only of one	- 1,250,000
	<hr/>
Total	£. 26,006,857

Thus we see that, take a future view of the India Company in which light we will (the annual profit being proved to be 1,250,000 l.) we cannot reckon on a less *total value* at the expiration of the charter than twenty millions; and both modes of calculation leave a very large sum for contingencies. There is however, I must own, ample field for admiration; yet let our astonishment at our happy situation be never so great, it ought not to exceed our indignation at the insolent attempts of our Directors to argue us out of the use of our understanding. Attempts which render them equally culpable to their constituents and to their country, whose interests being inseparable must suffer by being disunited; and they have but too well succeeded in setting them at variance*.

Let

* Weak men generally strive to make up in cunning for what they want in capacity. If our Directors thought themselves cunning, the Administration were not behind them; for when the first claim to the territorial acquisitions, in right of the sovereignty of Great-Britain over all countries acquired by con-

Let us now consider in what material points these two modes of calculation differ. In making up the annual account it has been observed, that no allowance is made for the revenues the Company is in the receipt of (neither those acquired before the Dewannee nor since) the Accountant General lumping all together (buildings, fortifications, warehouses, revenues, districts, &c.) at 400,000 l. a sum settled at the Union, and before the Company were in possession of any lands of consequence; the first material grant from the Mogul being in 1716. Now, if these revenues, and the other articles estimated in the *General View*, be added to the balance of the first mode calculated from the annual account, as in equity and reason they certainly ought to be, then the reader

quest, was set up, the Administration was *cunning* too; for instead of supporting the Proprietors, who wished to serve the publick, and who were ready to acknowledge their right, on being allowed a just indemnification for the expences sustained, and the risks incurred in obtaining the acquisitions, they chose to join and protect the Directors, who denied that the Company was enriched by their conquests, or that the point of right terminated in the State. The folly of the Directors indeed has been equalled by nothing but the folly of the Administration; and, between both, the Company has suffered sufficiently. Even the weakest Administrations, before the present, have had some respect to publick credit, and have regarded the funds of this country as matters in which they never could interfere without doing mischief. But it is become fashionable to act *in terrorem*, and ministerial messages and mandates are now the great engines made use of in the commercial as well as in the political management of the State. The consequence, indeed, is such as might have been expected; the affections of our colonies are alienated; the national funds have fallen 6 *per cent.*; the confidence of the people is lost; and we are become equally ridiculous at home and contemptible abroad.

will

will find the first mode turn out the most favourable. For instance:

Balance of the 1st mode at the expiration of the charter	23,350,000	Balance of the 2d mode at the expiration of the charter	26,006,857
Lopt off under the de- nomination of bad debts	1,250,000	Balance in favour of the 1st mode	353,368
For fortifications, above the common estimate of 400,000 l.	613,000		
Revenues of undisputed lands, districts, &c. estimated at five years purchase	2,195,000		
Total £.	26,360,243	Total £.	26,360,243

One word only as to stock-jobbing, and then I have done. "In short, changing characters and sentiments every hour, more groveling than the beasts under whose shapes they appear at the different rescouters." This, undoubtedly, is the best turned period in the Old Proprietor's performance; but I fancy a man who buys his stock, and holds it three years without change or diminution, under all the vicissitudes it has undergone from incapable treacherous Directors, and bungling arbitrary Ministers, does not come so properly under this denomination, as he who extols the possessions of the Company to-day because he has a great stake in it, but who decries these same possessions to-morrow because he has withdrawn his property from it, in compliance with the times. — I am very unwilling to remain in debt to the Old Proprietor even for a metaphor. He has wittily sent us an eel in a basket of snakes; the eel we have found, and a slippery one it certainly is, but the snakes are got into the

grafs.—Will the Old Proprietor accept of a present in return? it is a pair of bellows with two nozzles or pipes, the one of red-hot iron never to cool, the other of ice never to thaw; a very useful implement for a politician, for he may blow hot, or blow cold at pleasure.

A STEADY PROPRIETOR.

One word only as to stock-jobbing, and then I have done. In short, changing characters and sentiments every hour, more grovelling than the beasts under whose shapes they appear at the different seasons. This, undoubtedly, is the best turned period in the Old Proprietor's performance; but I fancy a man who buys his stock, and holds it three years without change or diminution, under all the vicissitudes it has undergone from the public treacherous Directors, and busyling arbitrary Ministers, does not come to properly under this denomination, as he who extols the positions of the Company to-day because he has a great stake in it, but who decries these same positions to-morrow because he has withdrawn his property from it, in compliance with the times. — I am very unwilling to remain indebted to the Old Proprietor even for a metaphor. He has wisely lent us an eel in a basket of thanks; the eel we have found, and a slippery commodity is, but the basket we got into the grafs —

APPEN-

ever, cannot have the weight of demonstration. I have calculated, (as a supplement to your con-

clusions, what advantage India Stock will have yielded to a Proprietor of 1000 capital at the end of five years, according to the present proposals of 12-1-half *per cent.* And in order to make this intelligible to all, I have taken the plainest method possible, and have laid down the balance paid on each year, in each method. The balance (with the interest on that balance, which is to

APPENDIX. LETTER I.

HAVING read a sensible letter in one of the Gazetteers, recommending to the proprietors of India Stock, to concur with the propositions then before them, for an agreement with government, notwithstanding that these propositions were clogged with several articles which might justly be thought inexpedient; I have been at the pains to calculate what difference the augmentation of the dividend to 12½ by instalments, rather than by a sudden encrease, ought to occasion.

There can be no doubt but that, to a steady Proprietor, it makes very little difference, whether the proposed augmentation of dividend to 12 1-half *per cent.* takes place at once, or by instalment. The nicest calculator will not find the delay make a difference in the total value of his property of more than 2 *per cent.* while this gradual augmentation gives it a solid stability, and at the same time, bears a much more moderate aspect to the world, who, in general, are apt to decry sudden or large increases of dividend; not so much from having weighed the merits of the case, as from those mistakes, prejudices, or interests, which, in points of speculation, must always operate powerfully on the multitude—As bare assertions, however,

ever, cannot have the weight of demonstration, I have calculated, (as a supplement to your correspondent's letter) without going into very minute fractions, what advantage India Stock will have yielded to a Proprietor of 100l. capital at the end of five years, according to the present proposals of increase, and what it would have given, had the 12 1-half commenced directly.—And in order to make this intelligible to all, I have taken the plainest method possible, that of stating the interest paid on each year, in each method. The balance (with the interest on that balance, which is so trifling as not to be worth insertion, amounting only to a few pence) will make the real difference in the value of the stock consequent of this gradual increase by instalments. This being done, the reader may draw his own conclusions.

For 100l. capital India Stock, the proprietor receives during five years agreement:

By the 1st mode.			By the 2d mode.		
Year		Interest	Year		Interest
1.	11 per cent.	11	1.	12 $\frac{1}{2}$ per cent.	12..10
2.	12 ditto	12	2.	12 $\frac{1}{2}$ -	12..10
3.	12 $\frac{1}{2}$ -	12..10	3.	12 $\frac{1}{2}$ -	12..10
4.	12 $\frac{1}{2}$ -	12..10	4.	12 $\frac{1}{2}$ -	12..10
5.	12 $\frac{1}{2}$ -	12..10	5.	12 $\frac{1}{2}$ -	12..10
		<hr/>			<hr/>
		£. 60..10			62..10
		Balance 2..00			
		<hr/>			<hr/>
		62..10			

Thus it being demonstrated, that a Proprietor of India Stock, who means to hold his property (and Jobbers may calculate for themselves) suffers only

a loss of forty shillings in the hundred pounds capital stock, at the expiration of the five years agreement with government, by the mode now proposed: let us see if this loss be not more than compensated, and whether at the end of five years, or sooner, he will not be able to sell his property for a better price, than if the sudden augmentation had taken place.

Every one knows, that India Stock has, on account of the feuds in the Direction, and the unlucky disputes with government, been a very fluctuating and gaming stock for near three years past. Several collateral causes coincided to maintain this fluctuation; such as the forcing an augmentation of dividend, first to ten, and afterwards to twelve and a half *per cent.* rescinding and restraining acts of Parliament, to which observe, reader, I give no epithets, the policy which dictated them being, I must confess, far above my poor comprehension or knowledge of the constitution; and lastly, yet strange to tell, those trite unmeaning words *South Sea bubble*, had their effect also. Now, when violence, rashness, power and folly, combined to produce the same effect, can it be matter of amazement that it took place? My comment on these collateral causes of fluctuation I shall reserve for another opportunity, that I may not break in too far upon the thread of my present argument. To return: these causes of fluctuation must cease from the moment the agreement takes place; or, if they operate at all, must operate in favour of the stock, for a settled, regular, and unexceptionable mode of dividend being once declared, and each year bringing an increase of dividend, and consequently of value to those who know how to estimate it, this stock, which has hitherto been so much blown upon, must, from conviction, become the favorite stock

stock of the monied interest. We shall see the Dutch, the miser, and the Jew, enter the lists together; while every person, who possesses 1500*l.* in the other funds, will, unless under infatuation, endeavour to transfer it into India, till such time, at least, as it rises to within two *per cent.* of that price, to which an immediate augmentation to twelve and a half *per cent.* ought to bring it. The combination of causes, by a turn of tide, will now run strong in its favour. Those banes to publick credit *the bears*, vipers who exist by the misfortunes of their country, and who dare not pray for her prosperity lest they be undone, will be repressed and kept under. And the terror of those noval and tremendous, rescinding, and restraining acts will wear off by disuse. In a word, this limited stock consisting of three millions capital only, will soon be absorbed by the few who know its real value, while those who remember *the South Sea year*, but know not how to distinguish between shade and substance, may console themselves by their penetration which suggested to them the possibility of a *bubble*; indeed they have had ample room for consolation of this kind already; for while their foresight, index-like, pointed out to them the possibility of the reverse, they have, with amazing tranquillity, fortitude and sagacity beheld the India Company treble their capital, and their stock in a fair way to augment in value in the same proportion; for this annual increase of dividend with the accumulation of capital (amounting for 3 years past to more than 1,200,000 annually) will give a credit and solidity to the stock which could never have been attained by the immediate declaration of 12 1-half *per cent.* as this would have left behind it the same field for *bulling and bearing*, and the same room for *clamour and absurdity*, which have

have hitherto been the principal cause of this stock's coming to market so much below its natural and intrinsic worth.

LETTER II.

London, 5th of January 1769.

IN my last letter I endeavoured to shew that it was better for the proprietors of India Stock, that the increase of dividend should come by instalments, than by a sudden augmentation. In this I shall proceed to prove, that this stock is much below par; and that none of the other funds, without meaning in the least to decry any of them, stands on so profitable ground as India, and none can stand upon more permanent. Reader, be not startled; I am no stranger to the vulgar prejudices, regarding this stock, and if they have made any impression on you, I only beg that you will lay them aside for a short time; hear me coolly, and reject my opinion, if you can, after a fair and impartial consideration of what I have to advance.

If I can make it appear, *1st*, That India Stock sells for infinitely less, *2dly*, That it has equal security with, *3dly*, That it is worth more, than any of the other funds; then I hope it will not be denied me, that this fund is greatly below par.

1. That India Stock sells for much less than any of the other funds, appears from the following table, shewing on the one side, the present dividend and price of each fund, and on the other, what India ought to sell for, on a par with each corresponding stock. This method is so plain that it can stand in need of no comment.

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TABLE.

T A B L E.

	Dividend.	Price.	Dividend.	Price.
Bank Stock, with $5\frac{1}{2}$, brings 162 per cent.			India, with 11, ought to bring	324
South Sea - - - $3\frac{1}{2}$		105	India Stock, ditto	330
3 per cent. consol. 3		90	India Stock, ditto	330
4 per cents. being				
reducible to 3,				
must fall in un-				
der the 3 per				
cent. calcula-				
tion.				
Bank Annuities 3		89	India Stock, ditto	$329\frac{1}{2}$
India Annuities 3		89	India Stock, ditto	$325\frac{1}{2}$

Thus

Thus it appears that India Stock, which now sells for no more than 276 *per cent.* is above 50 *per cent.* below par; being, upon an average of all the other funds, intrinsically worth 327 *per cent.* on a dividend of eleven. But if we calculate on the proposed augmentation of $12\frac{1}{2}$, then it will be found to be near 100 *per cent.* below par; as that dividend ought to raise the price to 375 *per cent.* on the above average. This low price, when compared with that of any of the other funds, is not easily accounted for, but when we compare it with that of India Annuities, then it appears truly absurd. Can the capital be sound in one part, and rotten in another? Certainly no. This low price then can only arise from an opinion that no fund can be well secured, which has not national security; and this leads me to the second article of proof.

2. That India Stock is as well secured as any of the other funds.

All the funds, except India Stock, have, it is true, one common security, vulgarly called government security; that is, the national faith standing in the place of a capital which has been long since spent. Were I inclined to dispute about words, I might venture to assert, that India Stock is the only fund that has got any * assets, consequently the only fund that can boast of a real capital. While the taxes and duties, appropriated to the payment of the interest of this nominal capital but real debt of the other funds, are punctually paid,

* Bank Stock indeed may be said to have assets independent of their capital which is in the hands of government, for they have made a small increase of dividend in that fund, and another is expected soon to take place; but their savings are so inconsiderable in respect of the Indian acquisitions, that they cannot well be compared together.

there can be no better security; especially while the sinking fund maintains its credit. But should the revenues fall short of the sums requisite to defray the annual expences of government, and the interest of the debt, the first war must occasion a national bankruptcy, or a reduction of the interest of the several funds. The credit therefore of all the funds, rests ultimately on the revenues of the state. These revenues amount to near ten millions annually; and must increase with the prosperity of the India Company, or decline in its adversity. Above nine millions are absorbed by the current service of the year, leaving not a million to be applied to the purposes of the sinking fund. But, *one fifth* of all the revenues of the state, arise from our trade and connections with India. The customs and excise on the India commerce alone, with the annual sum now paid from the revenues, amount to more than the land tax of Great Britain, and are become as essential to its preservation. For if we lose our acquisitions in India, as matters now stand, we must also lose that trade, and consequently one of the principal resources of the state. Deduct two millions annually from the revenues of the state, and the sinking fund, instead of discharging any part of our immense debt, must fall short above a million annually, and consequently we must either be obliged to reduce the interest of all our funds, as I said above, or be undone. In a word, my position is this: The national funds have their security in the national faith: The national faith runs no risk of being violated (excepted always arbitrary ministers rescinding and restraining acts) while the sinking fund maintains a surplus: The sinking fund cannot maintain a surplus, longer than the principal resources, appropriated to the current service of the year, stand good: The com-

merce and revenues of India, yield a principal resource and a principal prop to the credit of this fund: Therefore, the credit of all the funds, but particularly of the sinking fund, on which all the others immediately depend, rests principally on the commerce and revenues which we derive from India. And when this resource fails, 3 *per cent.* 4 *per cent.* Bank, South Sea, India Stock and all the stocks, must fall together. The word *consolidated*, had it ten times its present magick, will not save them. Is it not therefore highly ridiculous to say, that any one stock is better secured than another? For should once the nation make a bankruptcy, (an event which cannot take place while we retain our possessions in India) the owners of all the funds will be glad to compound, and take whatever interest the exigency of the case, and the spirit of the times will allow, rather than lose their all. This word consolidated then is the shadow, while India is the substance, of that which supports the credit of all the funds; and it is the heighth of ingratitude, in the Proprietors of the other funds, to decry that from which they derive their own security and value.

3. I come now to the last article, which is, that India Stock is worth more, and therefore ought to bear a higher price, than any of the other funds.

If the reader is not convinced of the truth of this article, from what has been said on the general ground in the two former, no force of argument will convince him. It is very puzzling to find proper words to prove those things which are self-evident; as it is very difficult to describe those objects which are continually before us. I shall therefore rest the proof of this article, on the conviction arising from what has been said on the other two; just observing, that there are many circum-

circumstances tending to enhance the value of India Stock, which are not common to the other funds. An increasing trade; an accumulating capital; debts paid off; revenues acquired; probability, if not certainty, of a much larger dividend at the expiration of five years. These all operate strongly in favour of India Stock, while the 3 *per cent.* and other national funds cannot become better, but may become worse. The very importance derived from a qualification in India Stock, is no slight proof of its real value. The government of our possessions in India, is become a very great object. The trust reposed in the directors is very critical and extensive. It is therefore beneath the attention of no man, to have a voice, or many voices, in a choice, on which not only his own advantage, but the well-being of the state is so immediately dependant. Let abilities then guide our choice, at the ensuing election.

Detur digniori.

